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AUTHOR Kelly, Kathleen S.
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ABSTRACT

To build theory, a study (the third stage in a program of research) examined encroachment by fund raising on public relations in the nonprofit sector. Two sets of in-depth interviews were conducted with 19 public relations managers in nonprofit organizations in Maryland and Louisiana. The organizations represented in the purposive sample fell into four of the six major categories of recipient organizations (arts, culture and humanities; education; health; and human services). Results indicated that whereas only seven of the organizations represented in the study were in a fund-raising encroachment state, three more practice public relations under encroachment from a function other than fund raising, and of the remaining nine public relations departments reporting a structurally separate relationship with fund raising, seven appear to be vulnerable to future encroachment. Results also indicated that: (1) the role as technician, perception of public relations as a secondary function, organizational turbulence, and dependency on private gifts lead to the takeover of the public relations department; and (2) although titles were found to be weak indicators of organizational power, higher salaries paid to fund raisers and the participation of the public relations function in the decision-making process were found to be strong predictors of vulnerability, or antecedents, to fund-raising encroachment. A model of fund-raising encroachment was developed from the findings. (Two tables of data and a figure presenting the model are included; 21 references are attached.) (RS)

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LOSING CONTROL IN THE NONPROFIT SECTOR: AN EXAMINATION OF FUND-RAISING ENCROACHMENT

Kathleen S. Kelly
Associate Professor
Department of Communication
University of Southwestern Louisiana
Lafayette, LA 70504-3650
(318) 231-6953

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ABSTRACT

Losing Control in the Nonprofit Sector: An Examination of Fund-Raising Encroachment

Commission on Public Relations, Speech Communication Association National Convention, Chicago, IL, October 29 - November 1, 1992.

Although scholars have examined marketing encroachment on public relations in the for-profit sector, little research has been done on encroachment by fund raising in the nonprofit sector. This paper documents fund-raising encroachment and theorizes about external and internal factors contributing to it. It concludes that role as a technician, perception of public relations as a secondary function, organizational turbulence, and dependency on private gifts lead to the takeover of the PR department.

Graduate students enrolled in the 1991 Fall seminar, "Contemporary Issues in Public Relations," at the University of Southwestern Louisiana conducted the eight interviews with Louisiana practitioners and wrote preliminary analyses. I wish to acknowledge their contribution to this paper and thank them for their excellent work. They are: Brian Atkinson, Margaret Anderson, Kathryn Butcher, Christopher Lakos, Andrea LeBlanc, Katherine Meagher, Pierre Pelletier, and Robin Wimberley.

LOSING CONTROL IN THE NONPROFIT SECTOR: AN EXAMINATION OF FUND-RAISING ENCROACHMENT

This study represents the third stage in a program of research on fund-raising encroachment on the function of public relations in charitable organizations. In this study, in-depth interviews were conducted with 19 public relations managers in Maryland and Louisiana. Factors leading to encroachment, as well as the consequences of fund-raising encroachment were explored and analyzed. The findings of this study, supplemented by the findings of an earlier work, suggest a theoretical model that explains fund-raising encroachment and adds to parallel work on marketing encroachment in the for-profit sector.

The purpose of this study was to build theory. An earlier exploratory study on the relationship between fund raising and public relations in those charitable organizations with missions of education or arts, humanities and culture, had documented the subordination of public relations in an alarming proportion of those organizations (Kelly, 1992a). Building on that earlier work, this study again utilized qualitative methods to explore more deeply the factors associated with fund-raising encroachment. The results of this study cannot be generalized, but can only provide tentative answers to the problem—answers that, in the form of hypotheses, will be tested systematically in the field in the next stage of this research program. As presented here, the theoretical model and the conclusions can only claim to represent an *interpretation* of what theory and examination of a small, purposive sample tell us about the encroachment of fund raising on public relations in U.S. charitable organizations and the consequences of such action on public relations practitioners and their organizations.

REVIEW OF THE LITERATURE

Dozier and Lauzen (1990) defined encroachment as "the assignment of professionals from outside public relations to manage the public relations function" (p. 3). In recent years, these scholars from San Diego State University have undertaken a program of research on encroachment on public relations by the marketing function (Lauzen, 1990; 1991; Dozier and Lauzen, 1990). Although these studies have contributed greatly to our understanding of factors related to encroachment, they have limited themselves to the phenomenon of marketing encroachment, particularly as it occurs in the for-profit sector.

Lauzen (1990) conducted a study similar to this one, in which she interviewed 16 public relations managers and identified five reasons for encroachment. Two of her reasons, or factors, were internal to public relations: (a) technician role aspirations, and (b) lack of manager competencies. The other three were external to public relations: (a) perceived lack of manager competencies, (b) top management confusion about public relations, and (c) marketing imperialism, which Lauzen defined as agressive expansion of marketing into responsibilities traditionally held by the public relations function. Based on her interview findings, Lauzen collapsed two of her external factors, perceived lack of manager competencies and top management confusion about public relations, into one variable, role sent, and added organizational turbulence to develop a model of encroachment.

The theoretical foundation of Lauzen's (1990) study, which also is used in this study, was public relations role theory, as developed by Broom and Dozier (e.g., 1986). Using the parsimonious explanation of manager and technician, Lauzen defined manager competencies as "the *behavioral skills* necessary to engage in the activities that constitute the public relations manager role" (p. 4). She said such skills are acquired through formal education and experience and included these variables along with strategic planning and issues management as indicators of the manager role.

Summarizing the encroachment model conceptualized by Lauzen (1990), the role enacted (i.e., technician or manager) by the most senior person in public relations is a function of the interaction between his or her role aspirations and competencies and the role sent by top management. The role enacted determines whether public relations is regarded as a primary or secondary function in the organization. Encroachment occurs when the function is perceived as secondary and when organizational turbulence and marketing imperialism are present. In other words, Lauzen theorized that marketing encroachment is the result of an organizationally weak public relations department and an aggressive marketing department, particularly during unstable times.

Although such studies contribute to our knowledge of marketing encroachment on public relations in the for-profit sector, little research has been done on the parallel encroachment by fund raising, or development, in the nonprofit sector. This study draws from previous research on marketing encroachment, particularly Lauzen's (1990) theoretical model, to examine the occurrence and factors associated with encroachment on public relations by the fund-raising function.

METHODOLOGY

Two sets of depth interviews were conducted with public relations managers in 11 nonprofit organizations in Maryland and in 8 nonprofit organizations in Louisiana. A qualitative research technique, the depth interview was deemed an appropriate tool for exploring the reasons leading to encroachment. As recommended by Glaser and Strauss (1967), however, the findings of this study are tentative and will be tested using more rigorous, large-sample quantitative research.

Using a purposive sample, all respondents were public relations managers who worked for 501(c)(3) charitable organizations that employed at least one fund raiser. The Maryland interviews were conducted by the author in June 1991 by telephone.

The Louisiana interviews were conducted in-person and by telephone by graduate students enrolled in the Contemporary Issues in Public Relations Seminar at the University of Southwestern Louisiana during the 1991 Fall Semester. Both sets of interviews were guided by the same interview schedule, although interviewers were encouraged to go beyond the schedule when fruitful lines of inquiry presented themselves.

The organizations represented in the purposive sample fall into four of the six major categories of recipient organizations, or uses of tax-deductible gifts, as defined by the American Association of Fund-Raising Counsel (AAFRC) Trust for Philanthropy (1991): (1) arts, culture and humanities, (2) education, (3) health, and (4) human services. Not represented in the sample are (5) religion, which traditionally receives the most U.S. charitable dollars, and (6) public/society benefit, which receives the smallest percentage. As shown in Table 1, the public relations respondents worked for nine educational organizations, ranging from elementary to doctoral levels, five arts, culture and humanities organizations, three human services organizations, including a United Way unit in Maryland and one in Louisiana, and two health organizations.

Table 1
Types of Nonprofit Organizations Represented

Education:

Private School
Public School System
Public 2-Yr. College
Private 4-Yr. College (3)
Public University (3)

Arts, Culture and Humanities:

Aquarium/Zoo (2)
Museum (2)
Public Television Station

Human Services:

Goodwill Local Unit
United Way Local Unit (2)

Health:

American Heart Association
State Unit
Local Cancer Center

N = 19

FINDINGS

Directly addressing the occurrence of fund-raising encroachment, interview subjects were quired about public relations' position in the organizational chart, the structural relationship between public relations and fund raising, and reporting lines. The findings are presented in Table 2, which categorizes the 19 organizations by the structural subordination, separateness, or dominance of the public relations function to the fund-raising function.

Table 2
Structural Relationship Between Public Relations and Fund Raising in 19 Nonprofits

PR Subordinate to Fund Raising (N=7)	PR Separate from Fund Raising (N=12)	PR Dominant over Fund Raising (N=0)
Private School	Public School System	
Private 4-Yr. College #2	Public 2-Yr. College	
Private 4-Yr. College #3	Private 4-Yr. College #1	
Public University #1	Public University #3	
Public University #2	Goodwill	
United Way #1	United Way #2	
Museum #2	Aquarium/Zoo #1	
	Aquarium/Zoo #2	
	Public TV Station	
	Museum #1	
	American Heart Association	
	Local Cancer Center	

N = 19

The fact that public relations does not manage fund raising in any of the 19 nonprofit organizations studied contradicts Grunig and Hunt (1984), who incorrectly stated that most charitable organizations place the fund-raising function within the public relations department. The only source they cited as a basis for their conclusion was one article in the *Public Relations Journal* that described the successful integration of public relations, marketing, and fund raising at one nonprofit hospital.

In contrast, the national survey of members of the Public Relations Society of America (PRSA) who work for educational and cultural organizations, conducted by Kelly (1992a), provided evidence in support of the findings of this study (i.e., in most charitable organizations, the public relations function is kept separate from or is subsumed by fund raising).

The absence of public relations management of the fund-raising function also runs contrary to those, such as Kelly (1991), who defines fund raising as a specialization of public relations (i.e., the management of communication between a charitable organization and its donor publics). Indeed, it contradicts the Body of Knowledge Task Force of the PRSA Research Committee (1988), which clearly intended that fund raising should be defined as a component of public relations when it incorporated the subheading, "Fund-Raising," as the seventh element and function of the professional practice of public relations, along with media relations, community relations, financial and investor relations, internal relations, public affairs, and marketing, marketing support, and consumer relations.

Supporting Kelly and the Body of Knowledge Task Force, 73 percent of the educators in a recent national study (N=79) agreed that fund raising is a specialization of public relations (Kelly, 1992b). Yet these exploratory data indicate that few public relations departments in America's more than 700,000 charitable organizations incorporate the function of fund raising, or managing donor relations.

The fact that the public relations function is subordinate to the fund-raising function in 37 percent of the organizations in this study bodes poorly for the vitality of public relations as a management function and for its aspirations to become a profession. For example, Kelly (1992b) found in the study of educators just mentioned that approximately one-third of all graduates of public relations programs housed in departments or schools of journalism and mass communication go to work for nonprofit organizations—as opposed to corporations, PR agencies, and government. It is doubtful that these new practitioners will find the opportunities to observe, learn and develop into roles as public relations managers if their function is managed by a fund-raising practitioner (i.e., encroachment has occurred).

Furthermore, the survival and success of nonprofit organizations depends on managing environ-

mental interdependencies with multiple publics, not just donors. Subordination of the public relations function through fund-raising encroachment focuses undue attention on donors at the expensive of other strategically important publics, leaving the organization vulnerable to loss of support and even attack by those who have been ignored (e.g., legislators, employees, or clients).

Addressing the former point as it relates to the subcategory of higher educational institutions, 30-year veteran practitioner Michael Radock (1983) wrote: "Not only are these audiences numerous, they are prone to 'participate' in the operation of the institution. Thus the college public relations person must be deft in balancing a broad spectrum of interests, alert to rapidly changing concerns among various publics, and imaginative and agile in meeting the demands of these special publics" (p. 324).

Providing a macro perspective of the function, Cutlip, Center and Broom (1985) stated, "Public relations . . . helps organizations anticipate and react to significant publics' perceptions and opinions, new values and life styles in the marketplace, power shifts among the electorate and within legislative bodies, and other changes in the social, economic, technological, and political environment. Without the public relations function, organizations would become dysfunctional due to their insensitivity to change" (p. 19).

In short, fund-raising encroachment forces public relations practitioners to concentrate on the concerns and demands of only one public, effectively placing "environmental blinders" on the function and the organizations they strive to serve. Based on systems theory, such an imbalance eventually will result in dysfunctional organizations susceptible to crises involving strategic publics other than donors.

Far from being alarmed, many would applaud the finding that in the majority of organizations in this study, public relations is structurally separate from the fund-raising function. In the earlier study of encroachment, Kelly (1992a) found that members of PRSA's Educational and Cultural Organizations Section overwhelmingly believed an equal, cooperative, and separate relationship with fund raisers is the ideal. According to one association PR practitioner in that study who reported equality with a separate, related fund-raising foundation, the situation was the ideal because: "Our public relations functions have such a profound effect on the organization and education as a whole that it shouldn't be diluted with the fund-raising responsibility."

A number of public relations educators appear to share the popular opinion that a separate, equal relationship between the two functions is the ideal. Cutlip, Center and Broom (1985), for example, stated, "The two functions must work in close cooperation, but as a general rule it is best not to combine the functions, whether in a university or in the Alliance for the Arts" (p. 520). In recent correspondence, Cutlip, who is a visible and vocal critic of marketing encroachment, provided personal observations in support of his opinion that public relations and fund raising should be kept separate. Pointing out weaknesses he partially attributed to the combination of the two functions at the University of Georgia, he wrote, "In contrast, at Wisconsin the two functions are totally separate and both function effectively. Look at UW's fund raising figures and the national publicity [Chancellor] Donna Shalala gets."

Cutlip and those practitioners who believe that separate and equal status is the ideal relationship have not considered the possibility that such a structure may leave the public relations function vulnerable to fund-raising encroachment. It is recalled from Lauzen's (1990) model of encroachment that organizational turbulence, or unstable times, is a factor leading to encroachment of the public relations function. Given the fact that decreases in federal funding during the Reagan years and current wide-spread state reductions are forcing charitable organizations to increase their dependence on fund raising, and that fund raising—as argued by Kelly (1992a)—is dependent for its success on public relations, it can be concluded that an independent public relations department in any charitable organization will have difficulty fending off aggressive efforts on the part of fund raising to take it over.

Furthermore, separate departmental status within an organizational structure does not ensure public relations equality with fund raising. An imbalance in organizational power and access to the dominant coalition can conceivably create *de facto* fund-raising encroachment (i.e., the concerns and demands of strategic publics other than donors will be ignored by or under-represented to the organization's top managers). The data from this exploratory study lend support to the concept of *de facto* encroachment and reinforce Lauzen's (1990) suggestion that future research should investigate how the power-control perspective can be used as an explanatory device for encroachment.

The depth interviews included measures of organizational power and access to the dominant coalition, including participation in policy decisions and strategic planning. The standardized interview guide also covered such indicators as differences between public relations and fund raising in staff sizes, salaries, and titles of the most senior officer. An examination of the responses of those public relations managers who reported that their function was structurally separate from fund raising reveals widespread inequities that diminish the contribution of public relations to organizational effectiveness and that may be antecedents to actual encroachment.

Structurally Separate Departments

Of the 12 public relations managers reporting a separate departmental structure, only 3 provided evidence that such a structure has protected the autonomy of public relations and is stable. More common is the case of Public University #3, whose new president already has expressed an interest in hiring a vice president with "proven fund-raising abilities" to oversee both the fund-raising and public relations departments. The chief public relations officer, who has worked at the university for 22 years, including the last 18 as director of public affairs, did not appear to be threatened by impending encroachment and, indeed, defined public relations as a support function for fund raising. As he explained:

> Fund raising is essential to the continued success and growth of any university, especially one operating in this sort of economy. Without the money generated by fund raising, the university would not be able to operate. Therefore, the role of the public relations department is to provide support services to fund raising—keeping the university's name out in front of the public so that when [the fund raiser] goes asking for donations, the public will know who we are and what we do. This is true for *any* nonprofit organization.

Similarly, the director of public relations and community affairs at the Local Cancer Center asserted that fund raising and public relations are separate functions in his organization, but added that it might not be like that much longer. Although prodded, he was unwilling to elaborate about proposed changes because nothing had been concretely decided.

In other words, although separate departmental structures may be the ideal, they provide little protection for the autonomy of the public relations department, particularly in unstable times such as the current recession.

Focusing on the self-perception of public relations as a supportive, rather than a primary organizational function, Lauzen (1990) reported that several of the public relations managers she interviewed argued that public relations is often taken over by other departments because the public relations department cannot prove its contribution to the "bottom line." As demonstrated by the quote just given, this same self-perception was common among the practitioners interviewed for this study on fund-raising encroachment. The chief public relations officer for United Way #2 defined his department's function as "telling and selling of United Way stories through a number of outlets," whereas the fund raising department "contributes to the bottom line by bringing in the money."

This distinction between the "bottom-line" contribution made by fund raising and the "story-telling" contribution made by public relations to organizational effectiveness appears to have some value in predicting fund-raising encroachment and should be tested in future studies. In a number of the 12 cases reporting a public relations department separate from fund raising, expressions about this distinction were commonly linked to signs of *de facto* encroachment. For example, the chief public relations officer for United Way #2 just quoted said that although he and the head of the fund-raising department both report directly to the local unit's executive director, his department has no power in the decision-making process of the organization unlike the fund-raising department, which has some power in decisions. He complained, "A public relations representative should have somewhat more say-so in the meetings. It's almost like we are not included in such an important process."

According to the student interviewer, this practitioner opened up at the conclusion of the interview and freely discussed the domination of the fund-raising department in his organization. He said that the fund-raising function is more important to top management because of monetary reasons and predicted that the public relations department will remain subordinate to fund raising, but will maintain a positive and functional relationship. This pessimistic, yet idealistic prediction reflects the attitude of 20 percent of the respondents (N=184) in the earlier study conducted by Kelly (1992a).

In addition to exclusion from the decision-making process and explicit statements about fund raising's domination, it was found that the fund-raising department in United Way #2 has three professional

staff members, whereas the public relations department is a one-person shop. This imbalance in staff resources was noted in 4 of the 12 organizations with structurally separate departments: the three cases already discussed (United Way #2, the Local Cancer Center, and Public University #3) and Private 4-Yr. College #1, with proportionally greater fund-raising staffs ranging from 44 percent to 600 percent.

It should be noted here that three of the organizations represented in the category, "PR Separate from Fund Raising," have incorporated public relations within a department headed by a manager with a background other than PR or fund raising. In other words, 3 of the 12 managers reporting a separate relationship with fund raising already practice public relations under encroachment, although that encroachment is not from fund raising. Three of the four arts, culture and humanities organizations included in this category are so structured. For example, the head of public relations at the Public Television Station reports to the senior vice president of international and national production, whereas public relations is part of the marketing department in both Aquarium/Zoo #1 and #2.

This evidence of encroachment by marketing and functions other than fund raising is hardly good news for those who approach public relations as a management function and an emerging profession. The director of public relations for Aquarium/Zoo #2, whose function is incorporated within the marketing department, declined several times to compare the fund-raising and public relations functions in his organization. He said that it was like comparing a graduate student to a professor, because development, or fund raising, was "a much larger and more complex function than public relations." He said a more valid comparison could be made between fund raising and marketing as these departments are of equal footing and salaries paid to their respective vice presidents are equal.

Of the remaining five organizations reporting structurally separate departments of public relations, one, the state unit of the American Heart Association, has equal staff sizes (1 each) for both public relations and fund raising, whereas four reported slightly larger staffs in public relations: the Public School System, Public 2-Yr. College, Museum #1, and Goodwill. In the first two organizations, fund raising is a relatively new function, one that the organizations added 10 years or more after employing their first public relations practitioners. For example, the Public School System—as part of a recent national trend—hired its first fund raiser during the last five years, but has had at least one full-time, paid staff member to carry out public relations duties for more than 15 years. Museum #1, which is owned by state government, has a public relations staff of three professionals, but relied on volunteers for its fund-raising efforts until it employed its current director of development, who only works on a part-time basis.

The difference in time between the establishment of the two functions may be a predictor of fund-raising encroachment (i.e., the longer an organization has had a fund-raising department, the more likely fund-raising encroachment will take place).

Only the Goodwill local unit has a slightly larger staff in public relations (3) as in fund raising (2) and has had both functions for approximately the same length of time, 10 to 19 years. As mentioned earlier, only 3 of the 12 organizations categorized as structurally separate provided evidence that such a structure has preserved the autonomy of public relations and is stable. Those three organizations are Goodwill, Private 4-Yr. College #1, and the state unit of the American Heart Association. To explore factors that may be related to such a status, the analysis turns to a comparison of titles, salaries, and internal characteristics of the public relations function.

Comparisons of Titles and Salaries

It was assumed that differences in levels of organizational titles of the most senior persons in public relations and fund raising and in salaries of practitioners in both departments are indicators of organizational power, which may help predict *de facto* and actual encroachment. Comparing the titles of the most senior managers in public relations and fund raising in all 19 cases included in the study revealed that titles are a weak predictor of encroachment. In about half of the organizations (9), the title of the most senior manager in fund raising was higher in the organizational hierarchy than that of the public relations manager. For example, in seven of those nine organizations, the most senior fund raiser was a vice president or equivalent, whereas the most senior public relations manager was a director, manager, officer, or associate vice president. In the remaining half of the organizations (10), the titles were equal, with the senior managers of both functions holding the same title: director or manager. In no organization was the title of the

most senior person in public relations higher in the organizational hierarchy than the most senior person in fund raising.

Salaries, on the other hand, appear to be a strong indicator of organizational power. Of those interview subjects who answered questions about salary comparison and who work for an organization that employs at least one fund raiser full-time, 12 of the 13 respondents (92%) reported that salaries for public relations practitioners and/or the senior PR manager in their organization generally are lower than salaries for fund raisers. Although three of the subjects reporting lower salaries attributed the difference to the chief fund raiser's longer tenure with the organization and/or higher academic credentials, the majority of the respondents gave no extenuating reasons or expressed their opinion that fund raisers deserve more because they contribute more to the "bottom line."

Illustrating the absence of reasons for salary differences, the public relations director at Private 4-Yr. College #3 admitted that her salary is lower than that of the director of development even though she has worked at the college four years longer and has more college education. Again, there were no organizations represented in the study that paid their public relations practitioners more than their fund raisers.

This finding, although drawn from a small and purposive sample, contradicts the most recent salary survey by PRSA, which included "fund-raising/philanthropy" for first time ("PRJ salary survey," 1991). In the table, "Salaries by Area of Public Relations," fund raising is listed as the third lowest salary at $38,544, below even PR education, although the table warned that the fund-raising data were drawn from a small base of only 29 of the 2,606 completed questionnaires (p. 21).

Yet publications that focus on nonprofit organizations have consistently reported higher salaries for fund raisers than for public relations practitioners. For example, *The Chronicle of Higher Education* ("Administrators' median salaries," 1992) recently reported the results of the annual salary survey conducted by the College and University Personnel Association, which showed that the median salary for the chief development officer for all higher educational institutions is $64,000 in 1991-92, as compared with $43,048 for the chief public relations officer—a difference of approximately $20,000 (p. A15). The difference in 1990-91 was approximately $19,000 ("Median salaries," 1991, p. A15). Perhaps an additional incentive for fund-raising encroachment on the public relations function in those charitable organizations with higher educational missions is the fact that the chief development *and* public relations officer earns a median salary of $71,000, or $7,000 more than those fund raisers who do not manage the public relations function.

Similarly, an article in *The Chronicle of Philanthropy* ("Cash compensation," 1989) reported the results of nine separate studies compiled by Independent Sector (IS) that showed the top public relations person in all types of nonprofit organizations earned approximately $10,000 less than the top fund raiser, $54,300 v. $64,000, (p. 28). Moving away from senior managers, the IS report showed that public relations students entering the job market can expect to earn much more as fund raisers than as PR practitioners. A fund raising/grant position in all types of nonprofit organizations paid a median salary of $55,600, whereas a public relations position paid $35,000, or $20,600 less.

Returning to the study at hand, only one respondent reported that in his organization, salaries of public relations practitioners are equal to salaries of fund raisers. This organization was the Goodwill local unit, which has a public relations department separate from fund raising.

Although Goodwill has had both functions for approximately 10 to 19 years, the public relations department has one more staff person than the fund-raising department. Furthermore, although the most senior fund raiser holds the title of vice president for development and the most senior public relations practitioner holds the lower title of director of communications and planning, they both report to the chief executive officer.

Obviously, there are factors other than structural relationship, titles, and salaries that would help explain fund-raising encroachment.

Internal Characteristics of the PR Department

Of the 12 organizations categorized as having a public relations department separate from fund raising, only three—the state unit of the American Heart Association, the Goodwill local unit, and Private 4-Yr. College #1—were found to have a public relations department that appeared to hold organizational status equal to that of the fund-raising department in a structure that was stable.

To explore the factors accounting for what many practitioners and educators consider this ideal state

of separate and equal, the paper turns to individual analysis of each of the three organizations.

As repeatedly pointed out by the director of community programs and communications for the American Heart Association, the public relations and fund-raising functions operate as two separate and equal departments at the state unit level because they emulate the structure, relationship, and degree of organizational power of their counterparts at the national level. Even standards in terms of employment categories and ranges of salaries are set by the national office of the American Heart Association, and although these standards are not mandatory, the state unit adopted them as proposed. In other words, a factor related to the absence of fund-raising encroachment in this human services agency is the organizational model set by the organization's national headquarters.

Such a factor does not provide long-term stability. For example, the American Red Cross recently merged its fund-raising and communication departments into a "Department for Public Support" at the national level ("American Red Cross," 1989). According to an article reporting the merger, the organization wanted to expand the duties and functions of the fund-raising department. Explaining the reasons behind the reorganization, the new department's vice president was quoted as stating, "We were moving into a more diversified form of fundraising [sic] which relates heavily to media & pr" (p. 4). As the article concluded, the merger/-name change only was made for the American Red Cross' headquarters in Washington, DC, "but some chapters are following suit" (p. 4).

The case of the Goodwill local unit provides support for Lauzen's (1990) model of encroachment. It is recalled that, according to this model, the role enacted (i.e., technician or manager) by the most senior person in public relations determines whether public relations is regarded as a primary or secondary function in the organization. Encroachment occurs when the function is perceived as secondary and when organizational turbulence and marketing imperialism are present.

Although no quantitative measures were made of the roles enacted by the public relations practitioners participating in this study, subjective conclusions by the interviewers placed the majority of the cases in the role of technician. For example, the practitioner at the state unit of the American Heart Association expressed her preference for working on community programs, as opposed to the research tasks which were recently added to her job description and for which she has little experience. The public relations director for Aquarium/Zoo #2 described his primary duties as seeing that news releases get published and aired. Although he said that he spends a great deal of time making personal appearances on radio and television, his office does not do any research.

The director of public relations at Private 4-Yr. College #3 described her primary duty as producing the college's newspaper, for which she does everything from photography to editing. She emphasized that she loved the creativity of her job and referred to public relations as a "catch-all-office."

Variables such as these have distinguished technicians from managers in role studies by Broom and Dozier (e.g., 1986).

Basically, researchers have found that practitioners functioning in the technician role are hands-on people who primarily are concerned with producing communications, often without knowledge of the problem prompting the communication or its intended results. They are not part of the management team, and as such, they have little or no impact on organizational decision making. Managers, on the other hand, are viewed by an organization's senior management as experts in public relations. They are given autonomy and are included in policy making. Unlike technicians, they use research, such as environmental scanning, to help an organization manage its environmental interdependencies. Both research and participation in the organizational decision-making process have been associated with role differences.

Most recently, preliminary results of the seminal research project on public relations excellence, sponsored by the International Association of Business Communicators (IABC), show that participation in strategic planning is a significant distinguishing variable between managers and technicians (J. Grunig, personal conversation).

Returning to Goodwill, it is enlightening to repeat that although the senior most practitioner in public relations is only a director—whereas the most senior fund raiser is a vice president—this practitioner's full title is director of communication and *planning*. Although generally titles were proven to be poor predictors of encroachment, in this case, the title emphasizes the fact that, according to the interview subject, strategic planning for the entire organization comes out of the public relations department. In other words, the most recent variable distinguishing between the enacted role of

technician or manager, strategic planning, was observed in the case of Goodwill and provides some explanation for the absence of fund-raising encroachment in that organization.

In addition, the current separate departmental structure between public relations and fund raising may be more stable in Goodwill than in other organizations because of the fact that Goodwill, unlike many other charities, generates 90 percent of its revenue nationally from goods and services, as opposed to government allocations and private gifts. For example, the local unit participating in this study averages about 7 percent of its revenue from private support. Following this line of thought, organizational dependence on fund raising, particularly in times of economic uncertainty, may be an antecedent to fund-raising encroachment on the public relations function, whereas diversified sources of revenue may deter fund-raising encroachment in charitable organizations.

Participation in strategic planning provides insight on the value placed on public relations by senior managers of the organization. As stated throughout this discussion, many public relations practitioners hold a self-perception of lesser contribution of their function to organizational effectiveness than the bottom-line contribution of fund raising. The Goodwill practitioner did not express such a self-perception; rather as the source of strategic management, he viewed his department as critical to his organization's success.

Similarly, the senior public relations practitioner at Private 4-Yr. College #1 viewed her function's contribution as primary, rather than secondary, and attributed her equal status as a vice president to the value placed on public relations by senior management. This value, she admitted, was greatly heighten by a recent crisis faced by her organization.

Historically a women's college, the institution was forced by declining enrollments to change its mission to coeducational approximately six years ago. The performance and leadership of the public relations department throughout the resulting crisis convinced the president and other senior managers that a public relations department, autonomous from fund raising, was essential to the organization's survival and success. Before the crisis, the senior PR practitioner was a director, who only participated in senior staff meetings on an *ad hoc* basis. After the crisis, she was promoted to vice president and became a regular member of the college's senior staff, along with the vice president for development.

As argued by Kelly (1992a), this organization's senior managers recognized that fund raising concerned itself with one public—donors—whereas public relations concerned itself with all publics that could affect the organization's success, such as alumnae, students, community leaders, trustees, and the media. As such, it was essential that the senior public relations practitioner participate in the decision-making process and strategic planning. In other words, it took a crisis for the senior managers of Private 4-Yr. College #1 to value the contribution of the public relations function, a fact readily admitted by the interview subject.

The rich, descriptive data gained from this particular case open a new line of inquiry regarding encroachment: How does the occurrence of a crisis affect an organization's appreciation and value of the public relations function? Why does a previous crisis serve as a deterrent to fund-raising encroachment? It may be that the public relations function is and will remain vulnerable to fund-raising encroachment—regardless of other factors—until an organization experiences a crisis with publics other than donors.

CONCLUSIONS

Following J. Grunig (1992), the research program of fund-raising encroachment represented by this study is based on the central premise that autonomy is a fundamental goal of an organization because the successful attainment of all goals is dependent on some degree of autonomy and that the purpose of public relations is to help an organization manage environmental interdependencies in order to protect and enhance the organization's autonomy. As stated by Grunig and Grunig (1992), "Public relations increases the effectiveness of organizations by managing the interdependence of the organization with publics that restrict its autonomy" (p. 313).

Because most organizations are linked to a diverse range of publics, one function must be responsible for monitoring the organization's status with all. Potentially, every public that is affected by an organization (e.g., employees, community residents, government agencies, media, consumers, stockholders, donors, and activist groups) has the ability and the power to limit an organization's autonomy through loss of revenue, increased costs, regulation, disruption of operations, increased taxation, decreased productivity, opposition to expansion, negative publicity, damaged reputation, and so forth. Each potential means, if enacted, limits an

organization's ability to pursue its self-determined goals—whether they are profit-related goals of the corporate sector, mission-related goals of the nonprofit sector, or public service-related goals of the government sector—and limits the organization's means to pursue those goals (i.e., they limit the autonomy of the organization).

Public relations' value to an organization, therefore, is diminished when encroachment takes place—whether that encroachment comes from the marketing function, the fund-raising function, or another organizational function such as human resources. When managed by an individual from another profession, the primary purpose of public relations is displaced by the functional goals of the manager (e.g., increasing sales or tax-deductible contributions). Other organizational goals and the critical publics related to them are ignored, and the organization becomes vulnerable to crises involving those publics and eventual loss of autonomy.

This study documents the occurrence of fund-raising encroachment in four of the six major types of charitable organizations—a phenomenon that currently is diminishing the status and organizational contribution of public relations in the nonprofit sector.

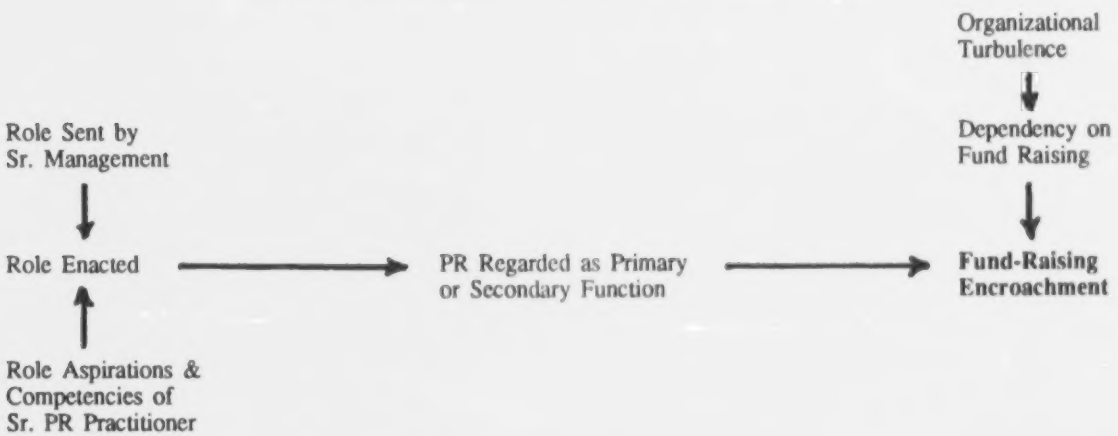
Whereas only 7 of the 19 organizations represented in the study are in a fund-raising encroachment state, 3 more practice public relations under encroachment from a function other than fund raising, such as marketing, and of the remaining 9 public relations departments reporting a structurally separate relationship with fund raising, 7 appear to be vulnerable to future encroachment.

Following Lauzen's (1990) model of encroachment, this vulnerability is related to the role enacted by the most senior person in public relations, which in turn determines whether public relations is regarded as a primary or secondary function in the organization, and by the presence of organizational turbulence, which places a greater dependency on fund raising.

Although titles were found to be weak indicators of organizational power, higher salaries paid to fund raisers and the participation of the public relations function in the decision-making process were found to be strong predictors of vulnerability, or antecedents, to fund-raising encroachment.

Based on these findings, Figure 1 presents a model of fund-raising encroachment adapted from Lauzen.

Figure 1
A Theoretical Model of Fund-Raising Encroachment


Organizational Turbulence
Role Sent by Sr. Management
Dependency on Fund Raising
Role Enacted
PR Regarded as Primary or Secondary Function
Fund-Raising Encroachment
Role Aspirations & Competencies of Sr. PR Practitioner

Adapted from Lauzen (1990)

The findings of this qualitative study confirm previous research and opens new lines of inquiry, creating questions and hypotheses that must be tested in large-sample, quantitative studies. For example, how strong of a predictor of fund-raising encroachment is participation in strategic planning by the public relations function? What is the relationship between organizational experience with crises

and encroachment on the public relations function? Why do some public relations departments in charitable organizations perceive their contribution as less than that of the fund-raising department?

Finally, further research is needed to determine what precautions, if any, public relations practitioners can take against what appears to be a growing trend in fund-raising encroachment. Kelly (1992a) argued that in its own protection and for the benefit of the organization, public relations practitioners and scholars must reconsider their worldview of fund raising as a separate function and instead approach fund raising as one of public relations' specializations. In other words, encroachment *on* the fund-raising function by public relations may be the only effective defense to fund-raising encroachment.

As Ralph Frede (cited in "Special message," 1989) warned nonprofit practitioners upon his retirement as vice president of public affairs at Baylor College of Medicine, "If you want to do [nonprofit] PR, you must learn fundraising [sic]. You don't enter a corporation and say, 'I don't give a damn about the bottom line.'"

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